

Internal Revenue Service

Number: **200742008**

Release Date: 10/19/2007

Index Number: 897.00-00, 897.06-02,
1445.02-00, 1445.07-02,
9100.00-00, 9100.22-00

Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:INTL:B04
PLR-116415-07

Date:
July 05, 2007

LEGEND

Taxpayer =

Entity 1 =

Entity 2 =

Entity 3 =

Entity 4 =

Entity 5 =

Entity 6 =

Entity 7 =

Entity 8 =

Entity 9 =

Entity 10 =

Entity 11 =

Entity 12 =

Entity 13 =

Entity 14 =

Entity 15 =

Entity 16 =

Country A =

Country B =

Country C =

Country D =

Country E =

Year X =

Year Y =

Year Z =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Date 5 =

Date 6 =

Date 7 =

Date 8 =

Date 9 =

Q% =

Dear _____ :

This replies to a letter dated March 28, 2007, requesting an extension of time pursuant to Treas. Reg. §§ 301.9100-1 and -3 to furnish to the applicable entities (or their successors) and the Internal Revenue Service the statements and notices required by Treas. Reg. §§ 1.897-2(g), 1.897-2(h), 1.1445-2(c)(3) and 1.1445-5(b)(4)(iii). These statements and notices are related to internal restructuring transactions occurring in Year X, Year Y and Year Z involving the transfer of interests in domestic corporations.

The rulings contained in this letter are predicated upon facts and representations submitted by you and accompanied by penalty of perjury statements executed by appropriate parties. This office has not verified any of the above material submitted in support of the request for rulings. Verification of the factual information, representations, and other data may be required as a part of the audit process.

Factual Background

Taxpayer is a Country D corporation and directly or indirectly owned the corporations involved in the transactions described below during Year X, Year Y and Year Z. During those years, the following transactions occurred.

Transaction 1: On Date 1 of Year X, Entity 1, a Country E subsidiary of Taxpayer, sold its entire interest of Q% in Entity 2, a domestic corporation, to Entity 3. Entity 3 was classified as a disregarded entity of Entity 4 for federal tax purposes. Entity 4 was a foreign partnership for federal tax purposes. Entity 2 did not provide a statement to Entity 1 or notice to the Internal Revenue Service pursuant to Treas. Reg. §§ 1.897-2(g) and (h). In addition, Entity 1 did not provide a statement to Entity 3 pursuant to Treas. Reg. § 1.1445-2(c)(3). Entity 1 subsequently merged into Entity 5. Entity 2 is no longer in existence and through reorganizations is now part of Entity 6.

Transaction 2: On Date 2 of Year X, Entity 7 converted under Country C law from an entity classified as a per se corporation for federal tax purposes to an entity classified as an eligible entity for federal tax purposes. Entity 7 also changed its name and made an election under Treas. Reg. § 301.7701-3 to be treated as an entity disregarded from its owner, Entity 8, for federal tax purposes. At the time of the election, Entity 7 owned all the stock of Entity 6, a domestic corporation. Pursuant to Treas. Reg. § 301.7701-3(g)(1)(iii), Entity 7's election to be disregarded resulted in a deemed liquidation of Entity 7 into Entity 8. Entity 6 did not provide a notice to Entity 7 or the Internal Revenue Service as required by Treas. Reg. §§ 1.897-2(g) and (h) and 1.1445-5(b)(4)(iii).

Transaction 3: On Date 3 of Year X, Entity 8, a Country A corporation, converted under Country A law to an entity classified as a per se corporation for purposes of Treas. Reg. 301.7701-2(b)(8) in a transaction intended to qualify under section 368(a)(1)(F). On Date 3, Entity 8 owned the stock of Entity 6, a domestic corporation. Entity 6 did not provide a statement to Entity 8 or notice to the Internal Revenue Service as required by Treas. Reg. §§ 1.897-2(g) and (h) and 1.1445-5(c)(3).

Transaction 4: On Date 4 of Year X, Entity 3 was treated for federal tax purposes as a disregarded entity of Entity 4, a Country D partnership. Entity 3 contributed assets that included stock of Entity 2, a domestic corporation, to Entity 8, a Country A corporation, in exchange for voting and nonvoting stock and cash. The partners of Entity 4 were two foreign corporations within Taxpayer's then existing group. The notice and statements required by Treas. Reg. §§ 1.897-2(g) and (h) and 1.1445-2(c)(3) were not filed. Entity 2 no longer exists and through reorganizations is now part of Entity 6. Entity 4 and one former partner of Entity 4 are now disregarded entities of Entity 9. The other former partner is now Entity 10.

Transaction 5: On Date 5 of Year X, Entity 2, a domestic corporation, statutorily merged into Entity 11, a domestic corporation and predecessor to Entity 6. Entity 11

subsequently changed its name to Entity 6. Prior to the merger, Entity 8, a Country A corporation, was the sole shareholder of Entity 2 and Entity 11. Entity 8 received Entity 11 stock and the right to deferred cash payments in exchange for its Entity 2 stock. Entity 2 did not provide a statement to Entity 8 or the Internal Revenue Service as required by Treas. Reg. §§ 1.897-2(g) and (h). Entity 2 is now part of Entity 6.

Transaction 6: On Date 6 of Year Y, Entity 8, a Country A corporation, made a distribution of the stock of Entity 6 and Entity 12, both domestic corporations, to its sole shareholder, Entity 13, a Country A corporation. Entity 6 and Entity 12 did not file the statements or notices required by Treas. Reg. §§ 1.897-2(g) and (h) and 1.1445-5(b)(4)(iii). Entity 13 is now known as Entity 14. Entity 12 was liquidated into Entity 15 subsequent to the transaction.

Transaction 7: On Date 7 of Year Y, Entity 13, a Country A corporation, changed its place of incorporation from Country A to Country B and changed its name to Entity 14. At the time of reincorporation and name change, Entity 13 owned all the stock of Entity 6 and Entity 12, both domestic corporations. Entity 6 and Entity 12 did not file the statements or notices required by Treas. Reg. §§ 1.897-2(g) and (h) and 1.1445-2(c)(3). Entity 12 was liquidated into Entity 15 subsequent to the transaction.

Transaction 8: On Date 8 of Year Z, Entity 14, a Country B corporation, distributed all the stock of Entity 6 and Entity 12, both domestic corporations, to its sole shareholder, Entity 16, a Country D corporation. Entity 6 and Entity 12 did not file the statements or notices required by Treas. Reg. §§ 1.897-2(g) and (h) and 1.1445-5(b)(4)(iii). Entity 12 was liquidated into Entity 15 subsequent to the transaction.

Transaction 9: On Date 9 of Year Z, Entity 16, a Country D corporation, sold all the stock of Entity 12, a domestic corporation, to Entity 15, a Country D corporation. At the time of the transaction, Entity 16 was an indirect subsidiary of Entity 15. Entity 12 did not file the statements or notices required by Treas. Reg. §§ 1.897-2(g) and (h). Entity 12 was liquidated into Entity 15 subsequent to the transaction.

Discussion

Treas. Reg. § 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in § 301.9100-3 to make a regulatory election under all subtitles of the Internal Revenue Code except subtitles E, G, H, and I.

Treas. Reg. § 301.9100-1(b) defines a regulatory election as an election whose due date is prescribed by a regulation, revenue ruling, revenue procedure, notice, or announcement. An election includes an application for relief in respect of tax.

Treas. Reg. § 301.9100-3(a) provides that requests for relief subject to this section will be granted when the taxpayer provides evidence (including affidavits described in § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and that the grant of relief will not prejudice the interests of the government.

Rulings

Based on the facts and circumstances of this case, we conclude that the standards of § 301.9100-3(a) have been satisfied. Accordingly, we provide the following rulings:

For Transaction 1, Entity 6 (as successor to Entity 2) and Entity 5 (as successor to Entity 1) are granted extensions of time until 60 days from the date of this letter ruling to satisfy the statement, notice and withholding requirements of Treas. Reg. §§ 1.897-2(g), 1.897-2(h)(2), and 1.1445-2(c)(3).

For Transaction 2, Entity 6 is granted an extension of time until 60 days from the date of this letter ruling to satisfy the statement, notice and withholding requirements of Treas. Reg. §§ 1.897-2(g), 1.897-2(h)(2), and 1.1445-5(b)(4)(iii).

For Transaction 3, Entity 6 is granted an extension of time until 60 days from the date of this letter ruling to satisfy the statement, notice and withholding requirements of Treas. Reg. §§ 1.897-2(g), 1.897-2(h)(2), and 1.1445-2(c)(3).

For Transaction 4, Entity 6 (as successor to Entity 2), Entity 9 and Entity 10 are granted extensions of time until 60 days from the date of this letter ruling to satisfy the statement, notice and withholding requirements of Treas. Reg. §§ 1.897-2(g), 1.897-2(h)(2), and 1.1445-2(c)(3).

For Transaction 5, Entity 6 (as successor to Entity 2) is granted an extension of time until 60 days from the date of this letter ruling to satisfy the statement, notice and withholding requirements of Treas. Reg. §§ 1.897-2(g) and 1.897-2(h)(2).

For Transaction 6, Entity 6 and Entity 15 are granted extensions of time until 60 days from the date of this letter ruling to satisfy the statement, notice and withholding requirements of Treas. Reg. §§ 1.897-2(g), 1.897-2(h)(2), and 1.1445-5(b)(4)(iii).

For Transaction 7, Entity 6 and Entity 15 are granted extensions of time until 60 days from the date of this letter ruling to satisfy the statement, notice and withholding requirements of Treas. Reg. §§ 1.897-2(g), 1.897-2(h)(2), and 1.1445-2(c)(3).

For Transaction 8, Entity 6 and Entity 15 (as successor to Entity 12) are granted extensions of time until 60 days from the date of this letter ruling to satisfy the

statement, notice and withholding requirements of Treas. Reg. §§ 1.897-2(g), 1.897-2(h)(2) and 1.1445-5(b)(4)(iii).

For Transaction 9, Entity 15 (as successor to Entity 12) is granted an extension of time until 60 days from the date of this letter ruling to satisfy the statement and notice requirements of Treas. Reg. §§ 1.897-2(g) and 1.897-2(h)(2).

The granting of an extension of time is not a determination that Taxpayer is otherwise eligible to file a notice of nonrecognition with respect to the transactions described above. No opinion is expressed as to the application of any other section of the Code or regulations to the facts presented. Specifically, no opinion is expressed as to whether any of the transactions qualifies for nonrecognition treatment.

A copy of this ruling letter should be attached with the statements and the notices mailed to the IRS.

This ruling is directed to the taxpayer who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

Sincerely

David Bailey
Assistant to the Branch Chief
Associate Chief Counsel
(International, Branch 4)